

I have introduced legislation to ensure that the quality of patient care is monitored if there would be bankruptcy. My legislation requires the appointment of an ombudsman to act as an advocate for the patient. This change will ensure that bankruptcy judges are fully aware of all the facts when they guide a health care provider through the process of bankruptcy. Prior to a chapter 11 filing, or immediately thereafter, the debtor employs a health care crisis consultant to help it in its reorganization effort. The first step is usually cutting costs. Sometimes this step may result in a lower quality of care for the patients who live there. The appointment, then, of an ombudsman, should balance the interests between the creditor and the patient. These interests need balancing because the court-appointed officials owe fiduciary duties to creditors and the estate but not necessarily to the patients.

There will be occasions which illustrate that what may be in the best interest of creditors may not always be consistent with the patients' best interest. The trustee's interest, for example, is to maximize the amount of the estate to pay off the creditors. The more assets the trustee disburses, the more his payment will be. On the other hand, the ombudsman for the patient is designed to ensure continued quality of care at least above some minimum standards. Such quality of care standards currently exist throughout the health care environment, from the health care facility itself to State standards and even Federal standards that were adopted in 1987.

I would like to have my colleagues consider the following excerpt from the Los Angeles Times on September 28, 1997, which describes the unconscionable, pathetic, and traumatizing consequences of a sudden nursing home closing because of bankruptcy:

It could not be determined Saturday how many more elderly or chronically ill patients may be affected by the health care company's financial problems. Those at the Reseda Care Center in the San Fernando Valley, including a 106-year-old woman, were rolled into the streets late Friday in wheelchairs and on hospital beds, bundled in blankets as relatives scurried to gather up clothes and other personal belongings.

The presence of an ombudsman should help prevent a recurrence of instances similar to what I just described, where trustees quickly close health care facilities without notifying appropriate state and federal agencies and without notifying the bankruptcy court.

I began discussions with the Health Care Financing Administration at the beginning of April to urge them to take seriously the rumors we were hearing about possible nursing home bankruptcies and to encourage them to make preparations. I called for contingency plans that would prepare, well in

advance, for the daunting challenges bankruptcies would pose to various federal and state agencies. HCFA briefed the staff of the Aging Committee, as well as staff from the Finance Committee and Budget Committee. While the HCFA staff appreciated the severity and size of the problem of ensuring resident safety in the event of a bankruptcy, they did not have a plan—or even a plan for a plan.

I wrote to the HCFA Administrator urging her to take the effort very seriously, to keep at the planning and to stay in touch with my office. Only on April 28th did I hear from her office that we could expect to see the plan in the next two weeks. That is why I wrote to her again on April 29, to tell her to get on with the effort and to let me and interested Members know of the plan to ensure that the people in the affected nursing homes will be protected.

Once we are assured that residents will be safe we can turn to the financial part of the bankruptcies. Now I will address these financial issues.

Before we take any action involving the taxpayers' hard-earned dollars, we should ask, and get solid answers to, some critical questions.

The first is this: if the rumors of financial distress are true, how is it that some providers are in such distress while others seem not to be? What factors have put certain companies at particular risk? The answer to that question will go a long way to help us know what kind of response their situation demands.

At this point, I'd like to make an observation about the Medicare element of this situation.

This is in response to the one excuse you are going to find from some of these changes why something ought to be done in the balanced budget amendment of 1997.

A Prospective Payment System (PPS) for Skilled Nursing Facilities was mandated by the Balanced Budget Act of 1997 (BBA). Some argue that, comparing CBO's 1997 baseline with its 1999 baseline, Medicare has saved \$7 billion more than originally anticipated, and that this pushed these companies over the edge.

But we need to ask whether or not it did.

CBO has recently clarified its baselines, explaining that the alleged difference between the two baselines comes from an apples-to-oranges comparison: the 1997 baseline included Part B spending on patients in these facilities, while the 1999 baseline does not. When apples are compared to apples, CBO tells us, the Medicare Part A baseline for Skilled Nursing Facilities has decreased by only \$200 million over 5 years—not by the \$7 billion that we are hearing. Of course this doesn't tell us what is going on in the real world—it only tells us that the discussion should

not be about CBO's baselines, it should be about what is really going on out there.

And that is what we need to find out.

Next, questions have been raised by shareholders, in class action suits against the management of these companies, about the competence and effectiveness of the management of these two companies. Did these companies try to grow too large, too fast? Did they take on more debt than they could manage? Was their business strategy flawed? A host of questions need to be answered about the internal operation of these companies—to see if they were being well run—before we assume that more taxpayer dollars will fix the problem. Otherwise we could wind up subsidizing the mistakes of well compensated executives.

These are serious questions that should be answered by the committees of this body. We should make full use of the evaluators who work for Congress. And the Administration should devote some effort to the inquiry as well. We need to understand the problem before we propose a solution.

Yet, some solutions are being presumed, and they are being presumed based on that apples-to-oranges comparison which says there has been \$7 billion more saved from Medicare than was anticipated in the 1997 balanced budget amendment. We should make haste to get these answers, and not rush blindly into what could otherwise be a thoughtless bailout.

COMMENDING THE EFFORTS OF THE REVEREND JESSE JACKSON

Mr. DORGAN. Mr. President, I would like to take this opportunity to join all Americans in expressing my profound relief at the safe return of Sergeant Andrew Ramirez, Sergeant Christopher Stone, and Specialist Steven Gonzales from captivity in the Federal Republic of Yugoslavia.

I was necessarily absent from the Senate this morning in order to attend a technology conference in my home State of North Dakota. Had I been present, I would have gladly joined 92 of my colleagues in commending the Reverend Jesse Jackson, and the delegation of religious and political leaders he led, for their instrumental efforts in securing the release of these three Americans. A grateful nation owes them its gratitude.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United

States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:35 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 118. An act to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the "J.J. 'Jake' Pickle Federal Building."

H.R. 459. An act to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project.

H.R. 509. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

H.R. 510. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

H.R. 560. An act to designate the Federal building and United States courthouse located at the intersection of Comercio and San Justo Streets, in San Juan, Puerto Rico, as the "Jose V. Toledo Federal Building and United States Courthouse."

H.R. 686. An act to designate a United States courthouse in Brownsville, Texas, as the "Garza-Vela United States Courthouse."

H.R. 1121. An act to designate the Federal building and United States courthouse located at 18 Greenville Street in Newnan, Georgia, as the "Lewis R. Morgan Federal Building and United States Courthouse."

H.R. 1162. An act to designate the bridge on United States Route 231 that crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, as the "William H. Natcher Bridge."

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 84. Concurrent resolution urging the Congress and the President to fully fund the Federal Government's obligation under the Individuals with Disabilities Education Act.

H. Con. Res. 88. Concurrent resolution urging the Congress and the President to increase funding for the Pell Grant Program and existing Campus-Based Aid Programs.

The message further announced that pursuant to the provisions of section 503(b)(3) of the National Skill Standards Act of 1994 (20 U.S.C. 5933) and upon the recommendation of the Minority Leader, the Speaker reappoints the following members to the National Skill Standards Board on the part of the House for a four-year term: Ms. Carolyn Warner of Phoenix, Arizona and Mr. George Bliss of Washington, D.C.

The message also announced that pursuant to section 2(b) of Public Law

98-183 and upon the recommendation of the Minority Leader, the Speaker appoints the following member to the Commission on Civil Rights on the part of the House, effective May 4, 1999, to fill the existing vacancy thereon: Mr. Christopher F. Edley, Jr. of Cambridge, Massachusetts.

The message further announced that the House has passed the following bills, without amendment:

S. 453. An act to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the "Hurff A. Saunders Federal Building."

S. 460. An act to designate the United States courthouse located at 401 Michigan Street in South Bend, Indiana, as the "Rock K. Rodibaugh United States Bankruptcy Courthouse."

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 118. An act to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the "J.J. 'Jake' Pickle Federal Building"; to the Committee on Environmental and Public Works.

H.R. 459. An act to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project; to the Committee on Energy and Natural Resources.

H.R. 560. An act the Federal building and United States courthouse located at the intersection of Comercio and San Justo Streets, in San Juan, Puerto Rico, as the "Jose V. Toledo Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

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H.R. 1162. An act to designate the bridge on United States Route 231 that crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana as the "William H. Natcher Bridge"; to the Committee on Environment and Public Works.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 84. Concurrent resolution urging the Congress and the President to fully fund the Federal Government's obligation under the Individuals with Disabilities Education Act; to the Committee on Health, Education, Labor, and Pensions.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times and placed on the calendar:

H.R. 509. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of

Big Horn County, Wyoming, certain land comprising the Steffens family property.

H.R. 510. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

H.R. 1480. An act to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2850. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of expenditures for the period April 1, 1998 through September 30, 1998; to the Committee on Appropriations.

EC-2851. A communication from the Chief Financial Officer and Plan Administrator, Production Credit Association Retirement Committee, First South Production Credit Association, transmitting, pursuant to law, the annual pension plan report for calendar year 1998; to the Committee on Governmental Affairs.

EC-2852. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Prevailing Rate Systems; Change in Survey Cycle for the Southwestern Michigan Appropriated Fund Wage Area" (RIN3206-A168), received on April 30, 1999; to the Committee on Governmental Affairs.

EC-2853. A communication from the Director, Office of Insurance Programs, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Federal Employees' Group Life Insurance Program; New Premiums" (RIN3206-A154), received on April 30, 1999; to the Committee on Governmental Affairs.

EC-2854. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, a draft of proposed legislation relative to the Wilderness Battlefield; to the Committee on Energy and Natural Resources.

EC-2855. A communication from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "Claims and Effective Dates for the Award of Educational Assistance" (RIN2900-AH76), received on May 3, 1999; to the Committee on Veterans Affairs.

EC-2856. A communication from the Director, Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Additional Authorization to Issue Certification for Foreign Health Care Workers" (RIN115-AF43), received on May 2, 1999; to the Committee on the Judiciary.

EC-2857. A Communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to workforce reductions for fiscal year 1999; to the Committee on Armed Services.

EC-2858. A Communication from the Secretary of Defense, transmitting, pursuant to